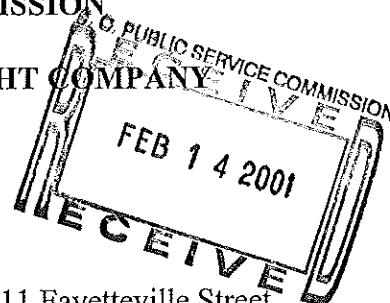


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02/14/01

**SOUTH CAROLINA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 2001-001-E**  
**DIRECT TESTIMONY OF CAROLINA POWER & LIGHT COMPANY**

**WITNESS LARRY A. WASHINGTON**



1 **Q. Please state your name and business address.**

2 **A.** My name is Larry A. Washington, and my business address is 411 Fayetteville Street  
3 Mall, Raleigh, North Carolina, 27602.

4 **Q. What is your position with Carolina Power & Light Company?**

5 **A.** I am the Manager – Fuel Accounting in Electric Fuels – Carolina.

6 **Q. Please state your educational background and experience.**

7 **A.** I have a B. S. degree from the University of Alabama, Birmingham. I have been  
8 employed by Carolina Power & Light Company for 3 1/2 years. For the past 3 1/2 years I  
9 have worked in the Fuel Group as Manager of Fuel Delivery, with the appointment to  
10 my current position occurring in February 2001.

11 **Q. What is the purpose of your testimony?**

12 **A.** The purpose of my testimony is to show the reasonableness of the Company's fuel  
13 purchasing practices and to present fuel cost data for the historical test period January  
14 2000 through December 2000.

15 **Q. How much contract coal and spot coal did the Company receive during the test**  
16 **period?**

17 **A.** The Company received 10,476,620 tons of contract coal at an average cost of  
18 171¢/MBtu and 1,084,461 tons of spot coal at an average cost of 131¢/MBtu.

19 **Q. What was the Company's inventory of coal at the end of December 2000?**

20 **A.** The coal inventory as of December 31, 2000 was 1,165,506 tons, which would provide  
21 about 29 days' generation based on an 85 percent fossil steam capacity factor.

22 **Q. Please describe Washington Exhibit No. 1.**

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1     **A.**   Washington Exhibit No. 1 shows the quality of coal received each month during the  
2           period.

3     **Q.**   **What was the average nuclear fuel cost for the generation of electricity during the**  
4           **period January 2000 through December 2000?**

5     **A.**   The average cost of nuclear fuel consumed in the generation of electricity during that  
6           period was 45¢/MBtu.

7     **Q.**   **During the period January 2000 through December 2000, how many gallons of No.**  
8           **2 fuel oil did the Company receive and at what cost?**

9     **A.**   The Company received a total of 29,810,710 gallons of No. 2 fuel oil at an average cost  
10          of 89¢/gallon (641¢/MBtu) for that period.

11    **Q.**   **What was the Company's closing oil inventory on December 31, 2000?**

12    **A.**   The Company's closing oil inventory on December 31, 2000 was 13,988,834 gallons of  
13          No. 2 fuel oil.

14    **Q.**   **How much natural gas did the Company burn during the period January, 2000**  
15          **through December 2000?**

16    **A.**   The Company burned 5,368,589 MCF natural gas for the period at a cost of 541¢/MBtu.

17    **Q.**   **Were the inventory levels maintained during the test period appropriate and were**  
18          **your fuel procurement practices reasonable and prudent?**

19    **A.**   Yes. The inventory levels ensured an adequate supply of fuel to meet our customers'  
20          electrical requirements during this period and the fuel was secured at a reasonable cost  
21          utilizing prudent procurement practices and procedures. CP&L continuously evaluates  
22          the term and spot markets for coal, nuclear, oil and natural gas in order to determine the  
23          appropriate portfolio of long term and spot purchases of fuels that ensure a reliable  
24          supply of electricity to our customers at the lowest reasonable prices. Such evaluations

1 include daily, weekly and monthly solicitations, subscription to fuel pricing services and  
2 trade publications and outside consultants.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes, it does.

**CAROLINA POWER & LIGHT COMPANY**  
**ANALYSIS OF QUALITY OF FUEL AS RECEIVED**

<u>Month</u> (a)	<u>Type</u> (b)	<u>Percent Moisture</u> (c)	<u>Percent Ash</u> (d)	<u>Percent Sulfur</u> (e)	<u>Btu/Pound</u> (f)
January 2000	Contract Coal	6.31	9.57	.90	12608
	Spot Coal	5.65	12.85	1.02	12129
February 2000	Contract Coal	6.45	9.79	.86	12571
	Spot Coal	4.88	20.15	1.06	11429
March 2000	Contract Coal	6.28	10.41	.86	12372
	Spot Coal	5.36	10.21	.75	12783
April 2000	Contract Coal	6.44	10.22	.89	12480
	Spot Coal	6.43	10.33	.80	12526
May 2000	Contract Coal	6.05	9.88	.87	12601
	Spot Coal	5.19	10.52	.95	12725
June 2000	Contract Coal	6.23	10.12	.86	12371
	Spot Coal	6.45	9.04	.75	12612
July 2000	Contract Coal	6.51	10.05	.86	12470
	Spot Coal	7.83	9.53	.89	12464
August 2000	Contract Coal	6.08	10.80	.85	12364
	Spot Coal	8.63	10.58	.88	12326
September 2000	Contract Coal	6.03	10.51	.87	12443
	Spot Coal	9.20	11.60	.88	12394
October 2000	Contract Coal	6.01	10.55	.85	12377
	Spot Coal	6.97	12.17	.86	12372
November 2000	Contract Coal	6.00	10.80	.85	12357
	Spot Coal	6.36	11.85	.94	12354
December 2000	Contract Coal	6.20	10.34	.88	12370
	Spot Coal	7.27	10.56	.98	12488